

MAINE STATE LEGISLATURE

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119th MAINE LEGISLATURE

FIRST REGULAR SESSION-1999

Legislative Document

No. 601

H.P. 438

House of Representatives, January 21, 1999

An Act to Clarify the Duty of Insurance Agencies to Keep Records.

Reference to the Committee on Banking and Insurance suggested and ordered printed.

A handwritten signature in black ink that reads "Joseph W. Mayo".

JOSEPH W. MAYO, Clerk

Presented by Representative DAVIDSON of Brunswick.
Cosponsored by Representatives: DUDLEY of Portland, MAYO of Bath, RICHARDSON of Brunswick, Senator: KIEFFER of Aroostook.

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3 **Be it enacted by the People of the State of Maine as follows:**

4 **Sec. 1. 24-A MRSA §1447, sub-§1, as enacted by PL 1997, c.**
5 **457, §23 and affected by §55, is amended to read:**

6 **1. Records.** The insurance producer or agency shall keep or
7 make accessible at the producer's or agency's place of business a
8 copy of the written appointment or designation from each insurer,
9 health maintenance organization, fraternal benefit society or
10 nonprofit hospital or medical service organization with which the
11 insurance producer or agency has an appointment. ~~The insurance~~
12 ~~producer shall keep at the producer's place of business complete~~
13 ~~records of transactions under the license.~~ For the purpose of
14 examination or investigation by the superintendent, records may
15 be maintained in electronic form. As to each insurance policy or
16 contract placed through or sold by the licensee, the records must
17 show:

18 **A.** The names of the insurer, health maintenance
19 organization, fraternal benefit society or nonprofit
20 hospital or medical service organization;

21 **B.** The number and expiration date of the policy or contract;

22 **C.** The premium payable as to the policy or contract;

23 **D.** The name and address of the insured;

24 **E.** The date and time of every binder made by the insurance
25 producer; and

26 **F.** Such other information as the superintendent may
27 reasonably require.

28 **Sec. 2. 24-A MRSA §1447, sub-§3 is enacted to read:**

29 **3. Agency.** If a producer engages in a transaction on
30 behalf of an agency and subsequently maintains a different place
31 of business, the agency shall maintain the records of the
32 transaction.

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34
35 **SUMMARY**

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37 This bill clarifies that if a producer engages in a
38 transaction on behalf of an insurance agency and subsequently
39 maintains a different place of business, the duty to keep records
40 of the transaction falls on the insurance agency and not the
41 individual producer.